



*Office of the United States Attorney
District of Arizona*

FOR IMMEDIATE RELEASE
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EAST VALLEY PHYSICIAN ARRESTED ON TAX CHARGES

PHOENIX - Carlin Grant Bartschi, M.D., 58, of Gilbert, Ariz. was arrested today in Gilbert, Ariz. based on a 22-count indictment returned by a federal grand jury for Tax Evasion, Mail Fraud, Bank Fraud and using Fictitious Obligations. Bartschi will have his initial appearance this afternoon before a U.S. Magistrate Judge at 3:00 p.m. in Phoenix.

Bartschi is a licensed medical doctor in Arizona providing services as an emergency room physician in Globe, Ariz. From January 1995 to the present, Bartschi contracted with Emergency Medical Consulting (EMC) to work as an emergency room physician at Cobre Valley Community Hospital located in Globe, Ariz. The indictment includes allegations that Bartschi failed to pay taxes for many years and actually formed sham trusts to hide the sources of his income while working as a contracted physician for EMC.

Bartschi and his spouse eventually filed U.S. Individual Income Tax Returns for 1993, 1995, 1996 and 1997, which included some payments for outstanding tax liabilities but failed to include payments of approximately \$122,525 for those four years. For 1998 through 2003, Bartschi and his spouse did not file tax returns as required by law.

In December 2003, IRS special agents notified Bartschi that he was under criminal investigation for tax violations. In July 2004, Bartschi voluntarily filed with the IRS what he purported to be his 1998 through 2003 U.S. Individual Income Tax Returns. These tax returns were unsigned, claimed a filing status of married filing separately and were prepared in an incomplete manner. Bartschi attached to these returns written instructions for the IRS to calculate his tax liability based upon income represented on the returns and any additional information available to the IRS. For 2000 through 2003, the IRS calculated and assessed the tax liability based upon the income reflected on the returns submitted by Bartschi.

A Conviction for Mail Fraud and Bank Fraud each carry a maximum penalty of 30 years in prison, a \$1,000,000 fine or both. A Conviction for Submission of Fictitious Obligation carries a maximum penalty of 25 years in prison, a \$250,000 fine or both. A conviction for Evasion of Assessment and Evasion of Payment, each carry a maximum penalty of five years in prison, a \$250,000 fine or both. In determining an actual sentence, the assigned judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by special agents of the Criminal Investigation Division of Internal Revenue Service. The prosecution is being handled by Peter Sexton, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-06-0349-PHX-ROS
RELEASE NUMBER: 2006-049(Bartschi)

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